

Manila Fails to Dislodge Rebels

LATE NEWS

2 Israeli Leaders Clash on Talks

TEL AVIV (AP) — Prime Minister Yitzhak Shamir sharply disagreed Wednesday with recent remarks by Foreign Minister Shimon Peres that Israel was committed to participate in international talks on the Middle East.

The dispute was their first public clash since the stalled peace moves since they switched jobs 100 days ago under a 1984 agreement to alternate the post of prime minister.

Mr. Peres, the Labor Party leader, noted that the Knesset, Israel's parliament, had approved an international conference when he presented the proposal in November 1985. "No one has the authority to change that without a majority," he said. But Mr. Shamir, of the rightist Likud bloc, told the Knesset on Wednesday, "I don't think it's a desirable situation" to hold an international conference. He said the Knesset's earlier approval was not binding on his government.

Rift in Military Poses Threat To Stability Before Plebiscite

By Michael Richardson
International Herald Tribune

MANILA — Troops loyal to the government of President Corason C. Aquino fired tear gas Wednesday night into a broadcasting complex in an unsuccessful attempt to flush out about 150 rebellious soldiers who occupied the building during a coup attempt Tuesday.

But military commanders held back from launching a full-scale assault against the rebels, the last of about 500 soldiers who had tried to take over bases and communication centers in and around Manila.

Military sources and Western analysts said commanders feared that further fighting and bloodshed between breakaway soldiers and units loyal to the government of Mrs. Aquino would aggravate political divisions in the armed forces and undermine her government.

The analysts also said the handling of the rebels was a measure of the personal authority of General Fidel V. Ramos, the armed forces chief of staff, and of the effectiveness of the military chain of command.



Fellow rebels escort Colonel Oscar Canlas back to the broadcasting center he and his men were holding in Manila. The colonel met earlier Wednesday with General Fidel V. Ramos.

U.S.-EC Accord Reported Near In Trade Dispute

Key Question Settled on U.S. Compensation

By Peter Maass
International Herald Tribune

BRUSSELS — Senior negotiators from the European Community and the United States were on the verge of an agreement Wednesday night that would resolve the major trade dispute over U.S. grain exports to Spain, sources said.

The two sides had settled the key question, of compensation for U.S. farmers, and were nearing agreement on industrial trade-offs and the duration of the pact, according to the sources.

"We're in good shape," said a U.S. source. Asked if a pact could be reached before Thursday morning, he replied, "It wouldn't surprise me."

The virtually nonstop negotiations began Monday evening.

The trade negotiations, conducted by telephone between Brussels and Washington, were headed by Willy de Clercq, the EC commissioner for external relations, and Clayton K. Yeutter, the U.S. special trade representative.

An accord would avert a potentially crippling trade war between the United States and the EC. The dispute, which also has threatened to hamper General Agreement on Tariffs and Trade, or GATT, talks on liberalizing world trade, stems from grain levies imposed by Spain as part of its entry into the EC last year.

The United States has claimed it unjustifiably lost \$430 million annually in grain sales because of the tariffs. Washington has set a deadline of Friday for the EC to agree on a package of agricultural and industrial compensation, after which it would impose prohibitive duties of 200 percent on such EC imports as white wine, cheese and certain alcoholic spirits.

The EC has vowed to respond with anti-U.S. measures, notably tough tariffs on corn-gluten feed.

Trade experts have said that these moves — affecting nearly \$1 billion in two-way trade — could lead to spiraling retaliatory actions.

But in recent days the community has appeared to back down from its previously hard-line negotiating position. When the dispute broke out a year ago, the EC refused to offer any long-term agricultural compensation.

Trade sources said the two sides agreed Wednesday that the EC would allow non-community countries to sell between two million metric tons (2.2 million short tons) and two and one-half million metric tons of corn in Spain every year. Most of that quota, about 1.8 million tons, would go to U.S. farmers.

The sources also said that the EC agreed to allow slightly more than 200,000 metric tons in annual sorghum sales to Spain, as well as several hundred thousand metric tons of coarse grain sales to Portugal. The United States would receive most of those quotas.

However, the sources said, the two sides had not settled the question of industrial trade-offs. According to the sources, the EC agreed to lower duties on about \$150 million of U.S. industrial goods, but Washington was demanding deeper tariff cuts than the EC was offering.

The sides also were said to be at odds over the agreement's duration. The EC wants the quota guarantees to expire after four years, the sources said, while the United States is seeking long-term assurances.

An accord would need to be approved by the EC's 12 member nations. A special meeting of their representatives is scheduled for Thursday afternoon. Although there could be some grumbling, observers said, it was highly unlikely that the EC members would turn down a negotiated agreement.



Clayton K. Yeutter

INSIDE TODAY

- GENERAL NEWS
- Contra commanders in southern Nicaragua quit the rebel alliance. Page 4.
- Britain offered to talk with radicals in Lebanon to seek the release of hostages. Page 2.
- Some Indonesians question President Suharto's decision to seek a fifth term. Page 5.
- BUSINESS/FINANCE
- Eli Lilly of France reported a 19 percent drop in profits for 1986. Page 11.

Reagan's Address to Nation Cites 'Mistakes' on Iran

He Offers to Cooperate With Congress

By David Hoffman
Washington Post Service

WASHINGTON — President Ronald Reagan has ended a long seclusion with a State of the Union address in which he lamented that "serious mistakes were made" in the sale of U.S. weapons to Iran, acknowledged that he had taken a risk that failed, and urged the nation to look beyond the worst controversy of his presidency.

"Let it never be said of this generation of Americans that we became so obsessed with failure that we refused to take risks that could further the cause of peace and freedom in the world," he said in Tuesday night's nationally broadcast message to Congress.

In a speech opening the final two years of his second term, Mr. Reagan offered gestures of cooperation to Congress, now controlled in both chambers by the Democrats.

But he struck a defensive tone, vowing to stand fast for his programs to aid the Nicaraguan rebels, develop the space-based anti-missile initiative, known as the Strategic Defense Initiative, and increase

President Rejected 'a Fighting Speech'

By R.W. Apple Jr.
New York Times Service

WASHINGTON — President Ronald Reagan has produced a State of the Union message that he could have delivered, with only modest changes, if his party had won the Senate elections in November and if the Iran-contra affair had never developed.

Sensing that Mr. Reagan had been weakened by the Republicans' loss of the Senate, the uproar over arms sales to Iran and the diversion of some of the profits to the Nicaraguan rebels, many of his supporters had hoped that the president would go to Capitol Hill on Tuesday night "with blood in his eye and make a fighting speech," in the words of Senator William L. Armstrong, Republican of Colorado.

But Mr. Reagan chose not to follow that advice.

Instead, he appealed for cooperation by congressional Democrats, made a brief and mildly phrased reference to the arms controversy, listed a series of goals that he had mentioned in other such speeches and moved on to a coda built



President Reagan delivering his address to Congress.

U.S. Imposes Ban on Travel To Lebanon

WASHINGTON — The Reagan administration announced Wednesday that it was forbidding Americans to travel to Lebanon unless they had U.S. government approval.

A State Department spokesman, Charles E. Redman, said that, effective immediately, U.S. passports could not be used for travel to or through Lebanon unless officially validated for that purpose.

Three American university professors were seized Saturday in West Beirut, bringing to at least eight the number of Americans known to be held hostage in Lebanon.

Mr. Redman said exceptions to the ban would be made for people already in Lebanon and for family members of Americans held hos-



REAGAN'S GIFT — Hashemi Rafsanjani, the speaker of the Iranian parliament, displaying on Wednesday a Bible he said President Ronald Reagan signed and sent to Iranian officials when the United States was secretly sending weapons to Iran. Page 4.

France has ordered Georges Ibrahim Abdullah to stand trial in two killings.

age there. Americans already in Lebanon will be allowed 30 days to leave.

He said Secretary of State George P. Shultz "has determined that there is imminent peril to U.S. citizens in Lebanon."

Mr. Redman said that violators of the ban would be subject to a \$2,000 fine and five years in prison.

Separately, officials in London said that Britain was prepared to talk with radical groups in Lebanon to track down Terry Waite, the missing Church of England envoy, and secure the release of Western hostages.

The Foreign Office said it had engaged in contacts with U.S. officials and with other governments about Mr. Waite, who disappeared in West Beirut while attempting to negotiate the release of hostages.

Mr. Waite was last seen Jan. 20, when he left his hotel to meet with a group, presumably members of the fundamentalist Islamic Jihad organization, that was holding hostages. There have been unconfirmed reports that he has been placed under "house arrest" by the hostage-takers.

Questions about his safety were relayed by a Lebanese Shiite Muslim doctor and former cabinet minister who has been acting as an intermediary between Mr. Waite and those holding the hostages, the independent Beirut newspaper *Al-Nahar* reported Wednesday. The doctor's name was not disclosed.

The newspaper quoted a source close to the doctor as saying that the kidnappers had no intention of holding Mr. Waite.

Mr. Waite, the special envoy of the archbishop of Canterbury, Robert Runcie, was seeking the release of two U.S. hostages in particular: Terry A. Anderson, a journalist, and Thomas Sutherland, a dean of the American University of Beirut.

In Iran, the speaker of the parliament, Hashemi R-fsanjani, said of See BAN, Page 2

Japanese Shift Tactics on U.S. Bonds

Borrowed Dollars Underwrite Deficit

By Carl Gewirtz
International Herald Tribune

PARIS — Japan, which since 1985 has been financing a quarter to a third of the U.S. deficit through the purchase of U.S. Treasury bonds, radically altered the way it financed these holdings starting in mid-1986, the Bank for International Settlements reported Wednesday.

The BIS, the Basel-based clearing house for such data, reported a huge increase in dollar borrowing by Japanese banks in the third quarter, the latest period for which data are available, indicating that they were using borrowed dollars to finance the purchases rather than selling yen to purchase dollars.

Such a shift in strategy has two implications. By eliminating the exchange-rate step of selling yen to buy dollar securities, Japanese investors contributed to the strengthening of their currency by reducing the demand for dollars in foreign-exchange markets.

The data show that the dollar traded in a range of about 155 yen in the third quarter. This was down from a range of 160 to 180 in the previous quarter and an average of about 165 yen in the final quarter, after Washington and Tokyo agreed to stabilize the rate.

More importantly, the financing shift also appears to have increased the vulnerability of the U.S. bond market to a withdrawal of Japanese funds. If the dollar borrowing costs to Japanese investors were to suddenly outweigh the income from holding the U.S. securities, the Japanese could be forced to dump the securities, a move that could create havoc in U.S. credit markets.

U.S. economists and regulators, including the chairman of the Federal Reserve Board, Paul A. Volcker, have long voiced their concern about the possibility of such a development.

BIS officials did not offer any interpretation of the data Wednesday and said they were still trying to digest it.

To say these developments are completely understood "would be See BIS, Page 15



Dollar Continues Decline
Shinobu Matsui, a money broker in Tokyo, had her hands full as she was swamped with calls from clients Wednesday. The dollar fell sharply in hectic trading in Japan and in Europe. It fell below 6 French francs for the first time in more than five years. Page 13.

In Beijing, the Power Struggle Is On

Tianjin Mayor Said to Be Deng Favorite for Prime Minister

By Daniel Southerland
Washington Post Service

BEIJING — Although ideology dominates the headlines in China's newspapers, party officials are engaged in a struggle for power and influence that counts as much as the ideological arguments, diplomats and other analysts said Wednesday.

According to two Chinese analysts who have separate connections to high levels of the government, Deng Xiaoping, China's senior leader, decided several months ago that the former Communist Party chief, Hu Yaobang, who was forced to resign Jan. 16, was accumulating power and influence at too rapid a rate.

They said that Mr. Hu had placed many of his proteges in positions of influence without consulting other leaders.

Mr. Hu, it is said, also neglected to give a place in his plans to certain powerful interest groups, including the military and conservative party ideologues.

Mr. Hu favored political changes which, in the view of party conservatives, would have decreased the power of the Communist Party and its influence in both the government and industry. He fostered a more open political debate, allowing academics to propose ideas that challenged party control over much of society and the economy.

Some sources said that the conservatives, in particular, apparently complained to Mr. Deng about Mr. Hu's moves and that pressure from the conservatives probably proved critical in turning Mr. Deng against his protégé.

Mr. Deng apparently prefers to have a balance of power at the top. Then, from a position somewhere in the middle of a spectrum of views, he acts as supreme arbiter.

With Mr. Hu out of the picture, Mr. Deng is attempting to establish a new balance that will take all interests into account, one analyst said. The key question is: Who should be made prime minister to replace Zhao Ziyang, who recently assumed the position of acting Communist Party chief?

Diplomats said that Mr. Deng's initial impulse was to look for new blood for the prime minister's office and that he had settled on Li Ruihsan, 52, the mayor of Tianjin, for the job.

But Mr. Li has had no experience working at a high level in the central government and will require more grooming if he is to get the post, they said.

In the meantime, other candidates are under consideration for the position of prime minister. One is Vice Prime Minister Li Peng, 58, a Soviet-trained engineer who oversees government work in the fields of education, energy and transportation.

Observers think that Mr. Li would be the choice of conservative party leaders, because of his emphasis on central planning and government control over the economy. Judging by his frequent appearances in the government-controlled

Gorbachev Consolidates Authority

MOSCOW — Mikhail S. Gorbachev, the Soviet leader, consolidated his authority in the Communist Party on Wednesday with the removal from the ruling Politburo of a former aide of Leonid I. Brezhnev.

The official news agency Tass said that Dinnukhamed A. Kunyev, the former party leader in the Asian republic of Kazakhstan, was dropped at a session of the party's Central Committee in Moscow.

Vladimir V. Shcherbitsky, the Ukrainian party leader, kept his position on the Politburo. He is the last remaining Politburo member associated with Brezhnev, who died in 1982.

Analysis said this pointed to the strong personal power base that Mr. Shcherbitsky has built up in the Ukraine. He was reconfirmed as the Ukrainian leader only last month.

The Central Committee, which closed its two-day meeting Wednesday, was in session for the first time in seven months. It was originally supposed to meet in the final quarter of last year.

Mr. Gorbachev delivered a speech Tuesday calling for sweeping changes in party procedures, including the election of senior officials by secret ballot and multiple candidates for top offices.

The Central Committee also promoted Alexander N. Yakovlev, a close personal aide to Mr. Gorbachev, to nonvoting membership of the Politburo.

It elected two new Central Committee secretaries, the men who are responsible for running the party on a day-to-day basis.

They are Nikolai N. Silyukov, party leader in the republic of Belorussia, and Anatoli I. Lukynov, head of a department of the Central Committee that handles administrative affairs.

Mikhail V. Zimyanin, 72, a veteran member of the Central Committee secretariat, retired on health grounds, Tass said.

The changes left the Politburo, the Soviet Union's most important body, with 11 full members and eight nonvoting members. The Central Committee secretariat now has 12 members.

In an initial assessment, analysts said the removal of Mr. Kunyev and the promotion of Mr. Yakovlev suggested that Mr. Gorbachev had increased his authority in the party's upper ranks.

Mr. Yakovlev already is a Central Committee secretary with responsibility for propaganda. As an adviser to Mr. Gorbachev, he accompanied the Soviet leader to Reykjavik, Iceland, for the meeting with the U.S. president, Ronald Reagan, in October.

Mr. Silyukov's elevation makes him one of the most powerful men in the leadership. He was promoted to nonvoting membership of the Politburo at the end of the 27th congress last month.

Mr. Kunyev's removal from the Politburo became certain when he was dropped as the leader of Kazakhstan last month. He was succeeded by an ethnic Russian, Ganadi V. Kollin, whose appointment was followed by riots in the Kazakh capital, Alma-Ata.

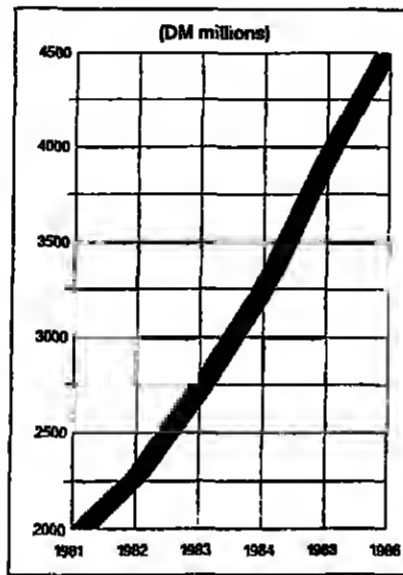
Information for the Shareholders
of Nixdorf Computer AG

Nixdorf Creates Capital For The Future

Capital Growth Resources

Nixdorf attained its growth target in 1986 by lifting revenue 15 per cent to DM 4.51 billion. But for adverse currency movements affecting the conversion of foreign sales into D-Marks, revenue would have increased by 21 per cent. So for yet another year, Nixdorf again outpaced the industry average.

Our objective in 1987 is to stay firmly on the growth path. With orders on hand totalling more than DM 4.43 billion, we're off to a very good start. As the year began, orders on hand were up by 13 per cent on the level a year ago. This figure was also affected by adverse currency movements. In preparation for ongoing expansion, we again kept



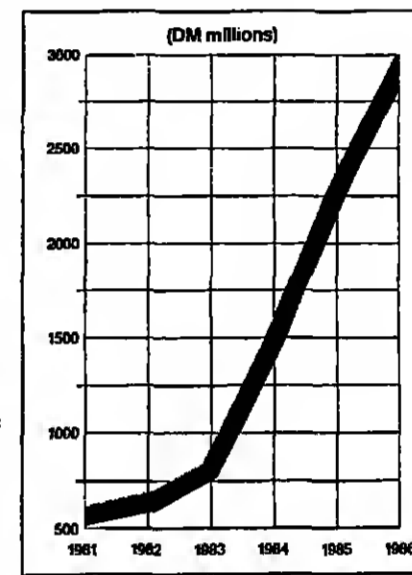
capital expenditure high in 1986: Besides recruiting and training an additional 2,300 personnel, we invested DM 600 million in fixed assets, and DM 420 million in research and development.

Capital Financial Resources

Pursuing growth on a firm financial base has always been a Nixdorf principle: Our equity ratio of more than 60 per cent says everything. Our financial resources allow us to continue business expansion while retaining our independence.

That's one advantage. Another is for you the customer to ponder: after all, this exceptional financial base is also an assurance that Nixdorf is a dependable, long-term partner who will stay with you into the future. We nurture this partnership by sustained and substantial capital investment in fixed assets, research and development, and ongoing training of our people.

We intend to seize every opportunity for expansion in

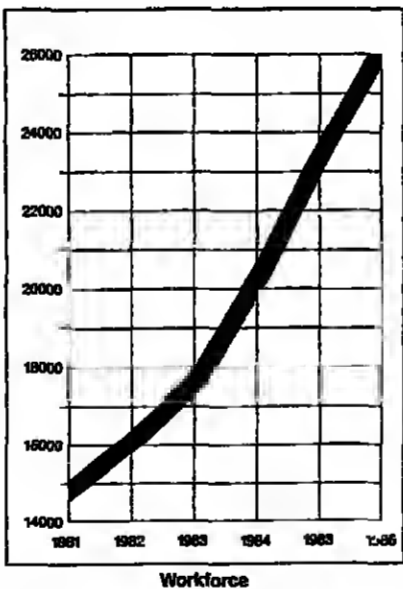


our established markets, while opening up additional revenue sources in new growth markets: With innovative applications like CAD/CAM solutions and telecom products.

Capital Competitive Resources

People are our most important asset. Our competitiveness depends essentially on their skill and commitment. This explains why we invest so heavily in personnel training. We have to: 7 out of 10 of our workforce of 25,600 people are employed on customer support activities, where their qualifications make all the difference. We're also deeply committed to vocational training for newcomers to the industry: in 1986, the number of Nixdorf trainees rose by 23 per cent to 1,800.

This year, we plan to take on another 2,000 personnel, chiefly to consolidate Nixdorf's traditional strengths in customer service and software development. If there's one single attribute that gives us the edge over the competition, it's our dedication to meeting customer requirements. It's this that guarantees Nixdorf users a lasting and successful partnership.



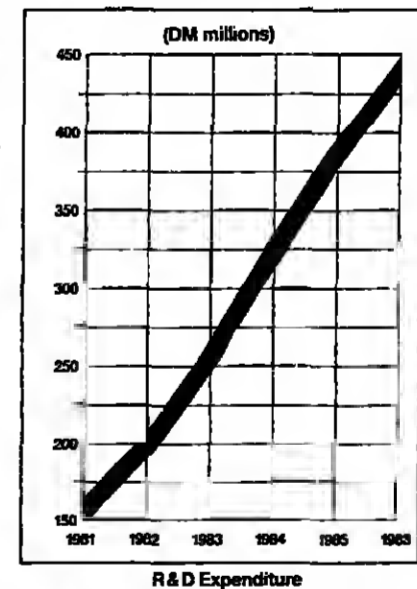
Another of our competitive strengths is our in-depth knowledge of vertical industries. As a "general contractor" for information technology solutions, this industry expertise gives us the ability to understand every customer's business and offer each a system suited to their needs. Our aim is to become Europe's Number One system supplier providing users with total solutions, complete with hardware, software and comprehensive services.

Capital Innovative Resources

Converting new technologies into innovative solutions is a Nixdorf tradition. And this is based on a long-standing company commitment: to provide the end-user with all the benefits of computer power.

Nixdorf takes "raw material" chips, for example, and customises them creatively to provide end-users with information technology in the form of future-oriented systems. These systems extend the power of the computer to include word processing, graphics and voice communications; they encompass multifunctional terminals and database applications for integrated information processing in the office or factory.

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the emergence of new and better telecom services: With products like ISDN-capable PABXs, digital telephone systems, videotex terminals and broadband switching systems for the German PTT.

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Southern Units Quit The Contra Alliance

By Richard Boudreaux and Doyle McMann... SAN JOSE, Costa Rica — Commanders of Nicaraguan rebel groups operating in southern Nicaragua have announced their withdrawal from the United Nicaraguan Opposition, the U.S.-sponsored alliance of rebel groups...

the group was unfairly dominated by the largest and most conservative rebel group, the Nicaraguan Democratic Force. A second leader of the rebel alliance, Alfonso Robelo Callejas, also complained publicly Tuesday about the Nicaraguan Democratic Force. He charged that it was attempting to take control of the entire rebel movement.

Accused Spy Released by Nicaragua

The Associated Press MANAGUA — Sam Hall, a self-styled American soldier of fortune accused of spying in Nicaragua, was freed from custody Wednesday and allowed to leave the country for the United States. Nicaraguan officials said Mr. Hall, the brother of U.S. Representative Tony P. Hall, Democrat of Ohio, was released because he is mentally unstable.

Other officials said that his comments referred to the small amount of U.S. aid that had been allotted to the faction. The withdrawal of the rebels operating in southern Nicaragua, known as the Southern Front, from the alliance is a severe blow to the rebels' prospects, according to rebel officials. The officials said it means that those units, with as many as 2,300 troops, will no longer coordinate military strategy with the larger Nicaraguan Democratic Force, which fights mostly in northern and central Nicaragua.



President Ronald Reagan greeting the speaker of the House, Representative Jim Wright of Texas, before the State of the Union address. At left is Vice President George Bush.

Reaction to Reagan: Sharply Partisan Democrat Feels 'Lack of Respect,' but Republicans Cheer

By Linda Greenhouse New York Times Service WASHINGTON — President Ronald Reagan's State of the Union address has provoked a congressional response that was more sharply partisan than veteran members of either party can remember. It was the most polarized Congress I've watched listening to a presidential speech in 27 years in Congress, said Senator Robert T. Stafford, Republican of Vermont, as he emerged Tuesday night from the chamber of the House of Representatives.

constititional amendment to require a balanced budget. After the speech, Democratic congressional leaders portrayed their party as willing, in principle, to help rebuild a weakened presidency but at the same time expressed skepticism about Mr. Reagan's competence and policies. Jim Wright of Texas, the speaker of the House, and Robert C. Byrd of West Virginia, the Senate majority leader, shared the Democratic response, addressing a nationwide television audience. It was the first time in the seven years that the Democrats have been responding to Mr. Reagan's State of the Union address that the party's response was not prerecorded, at least in part.

The message the two leaders conveyed was one of conciliation mixed with warning. "The last two years of the Reagan presidency need not be a period of discord," Mr. Byrd said. "A weakened president serves no one. A strong president serves us all." He said there was a "gathering sense of mistrust" as well as "real doubts about competence" growing out of the disclosures last fall that the Reagan administration had secretly sold arms to Iran and that profits from the sales had been diverted to the Contras.

Tass Criticizes Reagan's Speech

MOSCOW — The official Soviet press agency Tass accused President Ronald Reagan on Wednesday of delivering a "torrent of anti-Soviet attacks" in his State of the Union address to Congress. Tass said in a dispatch from Washington that Mr. Reagan had welcomed constructive relations with Moscow in the speech. But it added: "His positive calls for improved Soviet-U.S. relations were essentially drowned in a torrent of crude anti-Soviet attacks."

Pretoria Ends Ban on Film

JOHANNESBURG — South Africa has lifted a 38-year ban on a film commissioned by Joseph Goebbels, the Nazi propaganda chief, allowing the anti-British movie to be screened nationwide, its distributor said Wednesday. Italo Bernicchi, owner of a movie house, said "Olm Paul Kruger," or "Udele Paul Kruger," which was banned by the government in 1949, was cleared Tuesday by government-appointed censors.

Cleric Jailed In Venda Cites Threat

By Denis Herbst Special to the Herald Tribune LONDON — A black Lutheran leader detained without charge in a South African homeland since Nov. 22 has expressed fears to his wife that his life is in danger. In a letter smuggled out of prison, Dean Simon Tshenwani Farisani, 39, said his life had been threatened by a police interrogator who he said had tortured him during an earlier detention in the black homeland of Venda.

U.S. Dispute Over Thule Radar Stirs Copenhagen

By Michael R. Gordon New York Times Service WASHINGTON — A dispute among U.S. arms-control experts over a new early warning radar in Greenland, which is Danish territory, has spilled over into Denmark. The United States has been helping the Danish government counter allegations that construction of the radar violates the 1972 Anti-Ballistic Missile Treaty.

Record Cold, Snow Bring Washington to Standstill

WASHINGTON — Record cold numbed the U.S. capital Wednesday, and government workers were given the option of staying home in the aftermath of back-to-back winter storms. The temperature dropped to minus 25 degrees centigrade (minus 13 degrees Fahrenheit), a record, at Washington's Dulles International Airport in northern Virginia, the National Weather Service said.

The transit authority for the sixth day in a row reported extensive delays throughout its electrified rail network, and miles of above-ground track were out of service because of low temperatures, equipment failure and the lack of a de-icing system. Transit police were ordered to maintain crowd control at subway stops while station attendants stopped commuters, some of whom waited for as long as four hours to catch trains from entering tunnels.

Iranian Shows Bible Reagan Allegedly Sent

TEHRAN — Hashemi Rafsanjani, the speaker of Iran's parliament, flourished on Wednesday the Bible he said was sent to him by President Ronald Reagan. He said Mr. Reagan was courageous but had been undercut by political rivals. Mr. Rafsanjani displayed the leather-bound "Open Book Bible-Expanded Edition" at a news conference, holding it open to the title page. The page bore a handwritten verse, Galatians 3:8, what apparently was Mr. Reagan's signature and the date Oct. 3, 1986.

5 Arab Countries Make Effort at Reconciliation

KUWAIT — The leaders of five Arab countries from both moderate and radical camps met Wednesday to try to overcome differences as a spirit of reconciliation prevailed at the Islamic summit meeting here. Sources said the leaders of Kuwait, Saudi Arabia, Jordan, Algeria and Syria met for two hours during a break in the meeting of the Islamic Conference Organization. The trilateral gathering was to have ended Wednesday night, but delegates said it had been extended to Thursday.

Iraqi Planes Attack 7 Cities in Iran

MANAMA, Bahrain — Iraqi jets attacked at least seven Iranian cities, an oil-export terminal and two supertankers Wednesday as one of Tehran's leaders hinted that a new Iranian ground offensive was imminent. Iran resumed artillery bombardment of Iraqi border towns, from Basra in the south to Sulaymaniyah in the north, after a 24-hour lull in Iraqi air raids. The Iranians claimed they had killed or wounded another 1,500 Iraqi soldiers in fighting near Basra.

Mongolia Claimed by Taiwan

TAIPEI — Taiwan issued a statement claiming sovereignty over Mongolia on Wednesday, a day after Mongolia and the United States established diplomatic ties. It said the Mongolian People's Republic was a product of the Chinese-Soviet Treaty of Friendship and Alliance signed in 1945, but that the treaty was abrogated by Taiwan in 1953.

Israeli Held as Spy Still Refuses Food

JERUSALEM — The jailed occult technician accused of passing Israeli atomic secrets to a London newspaper has refused to end a hunger strike, a friend said. Mordechai Vanunu had said he would end his hunger strike, which began to protest prison treatment, if he was allowed to see an American friend, Andy Zickman. But she said that he decided Tuesday to continue his fast after being permitted in exchange notes with her through a partition but not to speak. His fast was in its 25th day Wednesday.

Death Notice

Hugh M. NEWNHAM, former Paris-based overseas manager of the New York Herald Tribune Syndicate 1953-63, died at 72, Jan. 26, at his home in Sussex, England.

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ESORTS & GUIDES MANAMA, Bahrain — Iraqi jets attacked at least seven Iranian cities, an oil-export terminal and two supertankers Wednesday

New Inquiry Planned for Palme Case

STOCKHOLM — The Swedish government, faced with a growing dispute between the police and prosecutors seeking the killer of Prime Minister Olof Palme, yielded Wednesday to opposition pressure and announced a parliamentary inquiry into the case.

"We have agreed that a parliamentary inquiry should look into the circumstances of the investigation," Mr. Palme's successor, Ingvar Carlsson, said after meeting with the leaders of the opposition.

Earlier this week, all three leaders in the center-right opposition coalition called on Mr. Carlsson to set up a political inquiry after an argument broke out between Stockholm's police chief, Hans Holmer, and prosecutors assigned to the case.

Mr. Carlsson declined to comment on radio reports that a plan had been discussed by the party leaders to remove Mr. Holmer and the chief prosecutor, Claes Zeime, from the inquiry. Mr. Zeime is on leave because of illness.

Political sources said the new inquiry was a final attempt by Mr. Carlsson to stop the feud.

They said the inquiry would be aimed at trying to restore the image of the country's police force, which has suffered badly from the public quarreling and the failure to find



Lisbeth Palme, the widow of Olof Palme, presenting a book on her husband to India's foreign minister, Narain Dutt D. Tiwari, after a ceremony in New Delhi in which a road was named after Mr. Palme, murdered 11 months ago.

the gunman who shot Mr. Palme to death 11 months ago.

The bickering intensified after the police descended on Sweden's Kurdish community and detained 20 persons suspected of having links with the extremist Kurdish Workers Party.

Mr. Holmer, who has consistently

claimed the involvement of the Kurdish group in Mr. Palme's murder, said that three of the detainees were suspected of being accomplices in the killing.

Hours later, Mr. Zeime announced the release of the detainees and said the Kurdish trail had gone cold.

In Indonesia, Questions on Length of Suharto's Rule

By Barbara Crossette
New York Times Service

JAKARTA — When President Suharto announced last fall that he would seek a fifth term in office in 1988, he focused attention on a question that cannot be publicly debated in Indonesia: How long can — or should — he stay in power?

"This president could have gone down in our history as a demigod," said Slamet Bratanata, a former government minister, reflecting the opinion of those who think it is time for a change. "Instead we have the tragedy of a man becoming a hostage to power."

The head of Mr. Suharto's political party says there will be no discussion of succession until "after 1992," a year before the end of his fifth term.

By then, Mr. Suharto, whose power base rests on traditional Indonesian deference to kingship, a sophisticated political machine and the armed forces, would have been president for more than a quarter of a century.

Mr. Suharto, 65, has reshaped Indonesia, a once-volatile nation, into a country closer to his own image: withdrawn and conservative.

Some people who know him — a small circle that generally excludes foreigners — try to draw parallels between his personality and that of the U.S. president, Ronald Reagan. Mr. Suharto's beliefs, formed early, are firmly fixed. He is socially tra-



Suharto

ditional, and strongly and instinctively anti-Communist. He reads little.

But comparisons with other leaders have little meaning because Mr. Suharto's character is deeply rooted in the singular, mystical society of the island of Java, his birthplace.

"The president had only a few years of school," Mr. Bratanata said. "If you bring him parables from the wayang, he can understand you," he added, referring to Javanese puppet theater.

"It's not that we don't have enough parables and legends," he said. "It's just that they are getting out of date."

Mr. Bratanata is a member of the Petition of 50 group, named for a proposal in 1980 by a dissident organization of military officers, former civil servants and Islamic leaders. They asked for more democracy and alleged that Mr. Suharto was using the military for political purposes.

Mr. Bratanata is among those who believe that Indonesia must begin putting a new generation of leaders into place now if the country is to continue to develop. They question whether Mr. Suharto, whom Mr. Bratanata described as "a simple man," can complete the task.

A political scientist said of Mr. Suharto, "The president is very much the product of an old Javanese way of life." He was born into poverty and raised a neglected child in a large family. As president, he remains most sympathetic to the demands of his children and the needs of the rural poor.

"He is not like other Indonesian leaders who prepared themselves for world exposure," said the political scientist, who was once a student dissident. "He was not like Sukarno, who always knew that one day he would be leader of the country."

The example of former President Sukarno apparently had a strong negative effect on Mr. Suharto, in-

cluding scholars say. Mr. Sukarno was a spellbinding nationalist and internationalist who helped to found the Nonaligned Movement and who was, as its leader, prepared to take on the industrialized nations. Mr. Suharto gradually pushed him from power in the mid-1960s, amid a violent purge of supposed leftists, many of them ethnic Chinese.

An old acquaintance of Mr. Suharto said the president preferred a cautious, step-by-step approach to government. He listens both to Western-educated technocrats and to Javanese spiritual advisers while waiting for things to happen "in their own time."

Mr. Suharto is credited by critics and admirers alike with remarkable achievements in stabilizing and developing Indonesia, a former Dutch plantation colony and now a country of more than 165 million people.

Secessionist movements have largely collapsed. There is self-sufficiency in food. Schools and health centers have opened and the rate of population growth has been cut.

But younger Indonesians, a significant number educated in the West, say they are alternately apathetic and impatient with government, which curbs political dissent and limits economic opportunity by failing to end corruption and bureaucratic inefficiency.

Mr. Bratanata said that the young, who sacrificed civil liberties in the name of stability and nation-

al unity, now ask why, when the dangers of unrest seem to have receded, the limits of expression stay in place.

General-circulation newspapers are censored, often by their editors, to avoid being closed.

Some military officers are reported to be concerned about patronage as the president's family and friends build up lucrative monopolies in many areas of the economy. The activities of Mr. Suharto's three sons and one of his three daughters are now "beyond control," a businessman said.

Because Mr. Suharto has brought stability to Indonesia, he is backed by the United States, and this is beginning to alienate Indonesians, some say.

"Indonesians are basically anti-Communist," said Adi Sasono, an Islamic scholar. "But anti-Communism and pro-Americanism are two different things."

Urban Moslem intellectuals, liberal and Americanized, are turning against the United States," he said.

Suriname Firm Is Attacked

PARAMARIBO, Suriname — Guerrillas have forced the Suriname Aluminum Company to halt work at its aluminum refinery by destroying two power pylons and damaging a third, the official Suriname News Agency reported on Wednesday.

Afghan Rebels Say War Continues Despite Truce

By Steven R. Weisman
New York Times Service

PESHAWAR, Pakistan — Almost two weeks after the Afghan government declared a cease-fire, guerrilla leaders say that fighting persists throughout Afghanistan and that there has been no trace of a return by refugees.

Spokesmen for the insurgents and American and Pakistani officials said there also was no sign of any willingness by guerrilla leaders to share power with the Communists, as proposed early this month by the Soviet-backed Kabul government.

In Peshawar, a frontier city, and all along the Afghan border, guerrilla leaders have been touring refugee camps, making speeches and handing out leaflets to persuade Afghans not to take seriously the Jan. 15 Kabul cease-fire.

"We've been working day and night to tell them this is a trick," said Qaribur Rehman Saeed, chief spokesman for Hezb-e-Islami, the largest guerrilla group. "Some of the refugees might have been hopeful at first that they could go back, but they now realize, and they are not going."

Nonetheless, American and Pakistani officials were said to be carefully watching events in Afghanistan after the Kabul initiative, especially the declaration by the Communist leader, Major General Najibullah, favoring a political "reconciliation" in Afghanistan that would permit the withdrawal of about 120,000 Soviet troops.

"We have all agreed to probe Soviet intentions with prudence and patience," said Deane R. Hinton, the United States ambassador to Pakistan. He and other officials added that the United States and

Pakistan still would insist that Moscow first agree to withdraw its troops within a few months.

In addition to the call for a cease-fire, Kabul invited the leaders of "armed groups" to take part in running the country.

In speeches on Kabul radio, General Najibullah pledged to grant amnesty to guerrilla leaders, preserve Islam as the national religion and set up a series of "reconciliation commissions" throughout the country with non-Communists in leadership roles.

But a few days after the cease-fire began, the seven major Afghan guerrilla groups held an unusual joint rally in Peshawar and rejected all the Soviet-Afghan proposals.

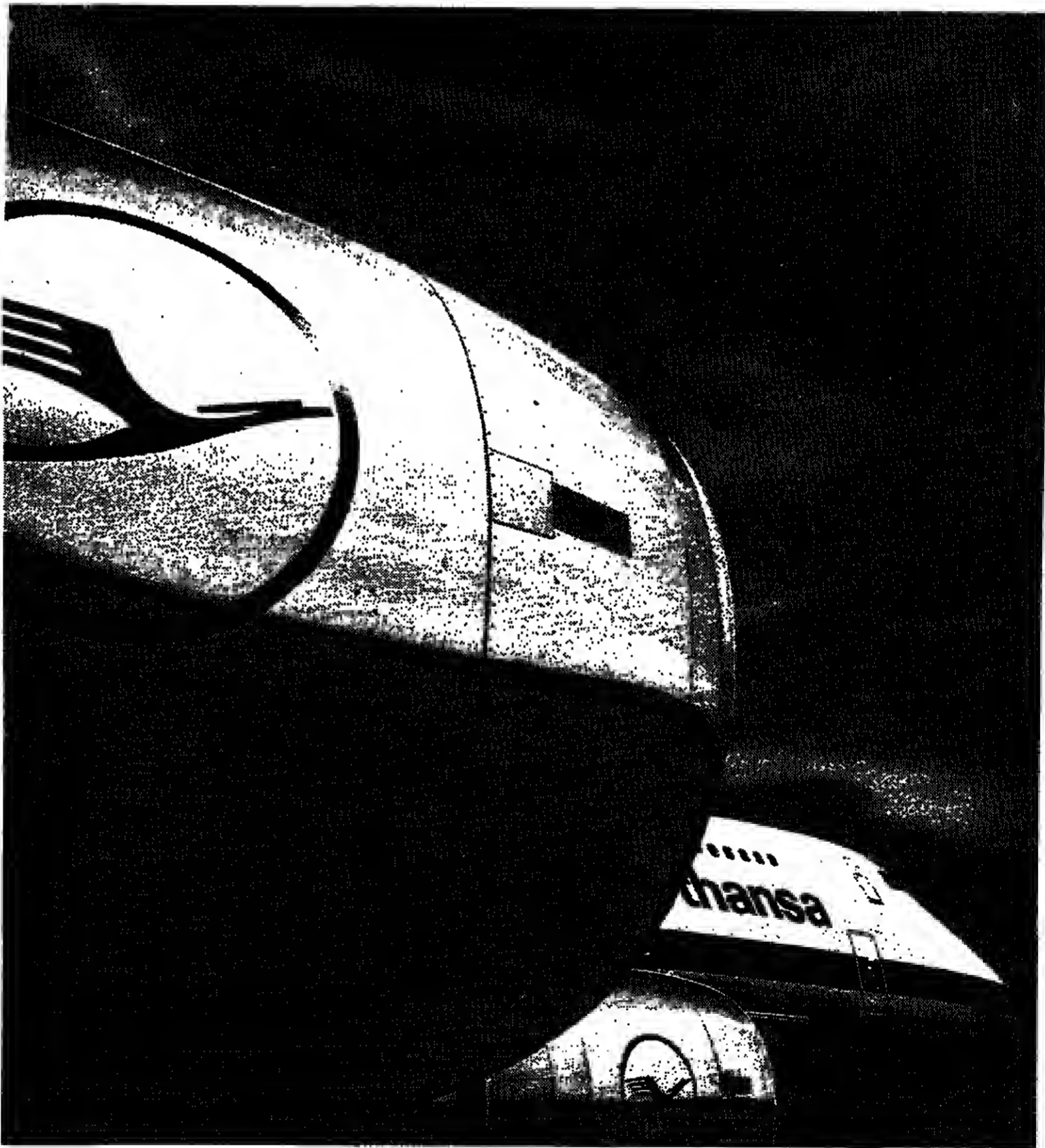
So far, the hard line against the Najibullah initiative appears to command virtually total support among rival guerrilla groups, whose mutual animosity in the past sometimes has led to fighting between them inside Afghanistan.

Insurgency leaders said that the fight against the Russians has continued throughout the country, with guerrillas attacking Soviet installations and convoys and Soviet soldiers responding with artillery, shelling and aerial bombardment.

"The cease-fire has never been in effect," said Syed Bahauddin Majrooh, director of the Afghan Information Center. He said that rebel attacks and Soviet retaliations had increased since Jan. 15 in Paktia Province and near the cities of Jalalabad, Kandahar and Herat, and in the southern outskirts of Kabul.

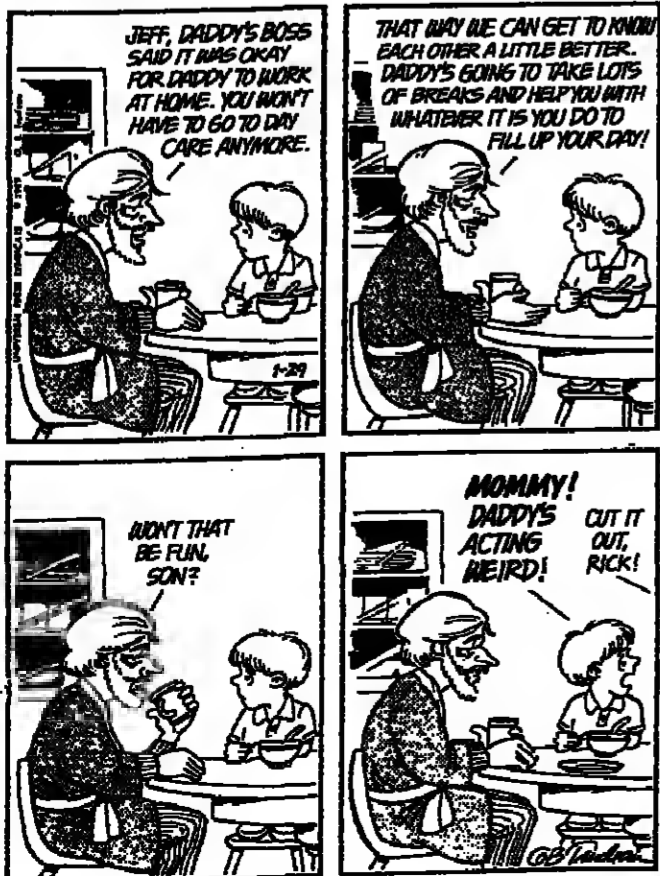
Other spokesmen said the insurgents had shot down at least one jet plane and destroyed tanks, and that while the Russians had retaliated they had mounted no major offensives.

Every status has its symbol.



Lufthansa

DOONESBURY



JEFF, DADDY'S BOSS SAID IT WAS OKAY FOR DADDY TO WORK FOR HIM. YOU HAVEN'T HAD TO GO TO DAY CARE ANYMORE.

THAT WHY WE CAN GET TO KNOW EACH OTHER A LITTLE BETTER. DADDY'S GOING TO TAKE LOTS OF BREAKS AND HELP YOU WITH WHATEVER IT IS YOU DO TO FILL UP YOUR DAY!

WOULD THAT BE FUN, SON?

MOMMY! DADDY'S ACTING WEIRD! CUT IT OUT, RICK!

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

An Economic Tinderbox

Leaders in Western Europe and Japan have a good idea of what must be done to right the yawning imbalances in world trade and money flows. Thanks to unsubtle signals from U.S. Treasury Secretary James Baker, they are also beginning to understand the dangerous consequences of continuing inaction. But this does not mean that the group of five, meeting early next month, can achieve an agreement with teeth. For in each country teeth would bite into powerful economic interests. That is something that none yet dare do.

A Democrat in Manila

On the left, zealots thirst for martyrs and shootings, the stuff of revolution. So what does the president of the Philippines do? She opens her palace to fist-shaking demonstrators and orders her cabinet ministers to greet them in an arms-linked human chain of bureaucrats, businessmen, students and nuns. One can hear revolutionaries fuming at this stratagem, so obviously calculated to win votes in next Monday's plebiscite on the constitution framed by Cory Aquino's year-old government. One can hear the right-wing reactionaries cry out for applause. The Philippine Republic is now the liveliest democracy in Asia, more remarkably, the armed forces are committed to upholding that freedom. For this she shares credit with General Fidel Ramos, the chief of staff, and a superlative defense minister, the retired General Rafael Ileta.

President Aquino seems to have survived a second coup attempt, but the sequence cannot fail to hurt her at a time when her authority was taking a battering and she needed every ounce of political strength at her command. The coup was evidently launched by soldiers of the same military clique that acted in July, it has links to the exiled former president Ferdinand Marcos, and to the ousted former defense minister, Juan Ponce Enrile. Again Chief of Staff Fidel Ramos saved her. Again the fragility of Philippine democracy was underlined.

More of Kohl's Same?

The message of Sunday's West German election seems to be more of the same. Chancellor Helmut Kohl is back, if slightly chastened, for what promises to be another round of friendly oratory followed by cautious and even timid action. In other words, Bonn is unlikely to help much in making tough decisions about the international economy or East-West relations.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairman



Rails Can Lead Out of Southern African Deadlock

LUANDA, Angola — The black countries of southern Africa are stepping up efforts to reduce economic dependence on South Africa, which uses it to assert regional superpower. Most of the newly independent countries are hurting badly through a particularly unfavorable combination of circumstances: their own policy mistakes, a long drought, the price collapse of major export earners like oil and copper and, in the cases of Mozambique and Angola, the cost and disruption of guerrilla wars.

In Seoul, a Marcos-Style Syndrome of Inside Deals

WASHINGTON — Will South Korea's President Chun Doo Hwan go the way of Ferdinand Marcos of the Philippines? The cases differ in many ways, but one crucial similarity helps explain why Mr. Chun faces increasingly widespread opposition. Corruption in the Korean military regime has now reached proportions that could soon rival those of the Marcos period.

Ambassadors Don't Have to Be Rich

WASHINGTON — William F. Buckley Jr. contributes poorly to an understanding of the role of ambassadors and the conduct of U.S. foreign policy. ("The Ambassador's Conversation Piece," Jan. 24.) He in effect tries to perpetuate myths: that ambassadors should primarily be expected to "sell the president's program" abroad; and that "rich" ambassadors are needed because government funds are insufficient to cover essential representational expenses. Both points, while widely accepted, are wrong.

OPINION

Beirut at Your Own Risk, Not Your Government's

ROME — West Germany arrests a suspected hijacker of TWA flight 847, and West German citizens are kidnapped in Beirut. The United States requests extradition of the suspect, and Americans in Beirut disappear. France sells weapons to Iraq, and French citizens are kidnapped in Beirut. The United States bombs Libyans with planes flying from British bases, and British citizens are kidnapped and murdered in Beirut.

It is not possible to conduct a coherent Middle East policy as long as individuals keep jamming up the gears of diplomacy.

While Terry Waite, the tireless Anglican envoy turned hostage negotiator, has been trying to win freedom for hostages, at least nine more foreigners have been kidnapped. Some 26 people from nine countries are being held against their will. At this rate Mr. Waite will have a job for life if he, too, has not been kidnapped.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Danger in China PARIS — [A reader writes:] "A long familiarity with the Chinese, officials and people, and a residence in China of many years justify me in asserting that of all countries China is about the least fitted for experimentation with the republican form of government. The situation now is bad; under a republic it will be a case of confusion worse confounded. The overthrow of the dynasty and the success of the Sun-Yat-Sen clique means a period of anarchy. Then China will fall under the iron rule of some dictator or will be 'pacified' by the European Powers and Japan — i.e., dividing it up among them. The present crisis is but the prologue of a grim tragedy. You are perfectly right in urging the Powers to support the Throne and strengthen the hands of the traditionalists against the revolutionists. What is needed in China is evolution, not revolution."

Continued on page 7

OPINION

Coming Soon: The Next Hijacking Show

By A.M. Rosenthal

SAINT PETERSBURG, Florida — Next week an airplane will be hijacked and the passengers, many of them American, will be taken hostage.

If not next week, then the week after or next month or the month after that. But it will happen, for two reasons.

Terrorism, old in warfare, has been developed by nationalist and carefully nurtured religious fanaticism to the point where it is a weapon not simply of local resistance but of world importance.

The terrorists have discovered that it is far more effective to select victims from the nationals of foreign powers rather than concentrate merely on their specific enemies.

Nothing gets them more attention and blackmail power than the horror of an airplane hijacking, not even the kidnappings taking place now in Beirut.

And most of the victim nations have shown that they crack when hostages are taken. The United States cracked to a Soviet hostage-taking by trading a Soviet spy for an American newsmen. It delivered blackmail arms to Iran, sponsors of the killers of American marines.

Pakistan has yet to put hijackers captured five months ago on trial or even tell the world who they are.

Israel cracked by turning over 1,150 prisoners for three Israelis.

Italy let a hunted terrorist escape.

The French dealt almost openly in trading with terrorists for their hostages.

Anybody who says this contemporary is a fool. We all know that were one of our family taken hostage, we would want only one thing of our government — rescue. But the surrenders do lead, bit by bit, to more hostage taking and more pain for more families.

Once again the frightened faces of the victims will appear on television screens the world over. Once again the captors will orchestrate their own performance on the television stage, screaming and waving automatic rifles one day, presenting their demands and their grievances as winningly as they can the next.

Once more, disgusted viewers and harassed governments will say that the press, particularly television, is terrorism's tool and is endangering the lives of the hostages. Louder than ever will come demands for some form of regulation — outright censorship, barring reporters and cameras from the scene, or sweeping press self-restriction.

Television producers and correspondents and newspaper people talked it all over at a meeting here organized by the Poynter Institute for Media Studies, which owns The St. Petersburg Times, one of America's good newspapers.

Meanwhile, as Mr. Will says, moving the U.S. Embassy to eastern Jerusalem would end the pretense that the unity of Israel is negotiable, and would show the world that the United States is ready to stop appeasing Arab opinion.

His argument is that American interest in peace in the Middle East can best be served by a clear demonstration that Israel's greatest ally and sponsor no longer implicitly condones Arab propaganda to the effect that Israel's sovereignty is open to question. Without a

breakthrough on the issue of Israel's legitimacy, many more decades of destruction will pass.

ART STONE, Arlington, Virginia.

The point Mr. Will makes is as erroneous as his supporting "facts."

The Vatican is the only state that continues to honor the original agreement for the acceptance of Israel as a nation. That agreement calls for internationalization of the city of Jerusalem and for repatriation of, or compensation for, the Palestinians. The Vatican does not have diplomatic relations with Israel because neither of those two conditions has been met.

The United States, Britain and other countries continue to honor the first condition, maintaining only consular offices in Jerusalem, but they ignore the second issue about Palestinian rights and they maintain full diplomatic ties with Israel.

Jewish gravestones were not used by Jordan to pave roads, but an Arab cemetery was bulldozed to create Independence Park in Jerusalem. Religious freedom in Israel exists only in the minds of some, since Christian and Moslem Arabs from all Arab countries except Egypt are refused entry into Israel.

I agree with Mr. Will that the cardinal's visit disclosed something sinister — but not in the Vatican.

MARIE PECK, Amman.

for looking at a story before it is printed and using something called judgment.

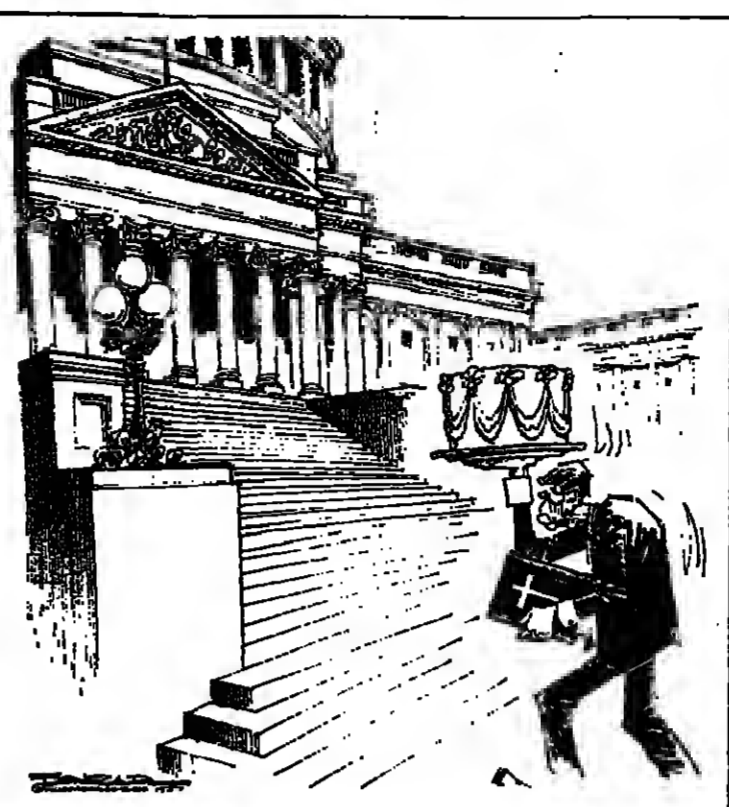
Terrorists feed hungrily on chaos and press-television mob scenes create the hysteria they seek. Television could help by using correspondents but just one or two camera crews, sharing film but out the reporting or commentary.

Almost all American television anchor-men and producers are skilled, experienced and serious and could hold down top jobs on newspapers; greater praise hath no editor. But sometimes the job of interviewing captors is turned over to television personalities who are simply entertainers and treat the captors as a sensation: "Do you have a message for President Reagan?"

These steps would counter some of the intricately planned manipulation by the terrorists. But television and press bashing will continue. It won't kill us.

Neither will it change the fact that the agonizingly drawn-out pain of captives and family has come not from television cameras and anchorpeople or newspaper reporters but from the faltering will of governments and the men who see waving their rifles and sneering at the world, next week or next month.

The New York Times.



The Great Picture on Page 4 Knocks Phones Off the Hook

By Joseph Laitin

WASHINGTON — Good journalism is a mirror of life around us. The question is often a matter of taste, sometimes of ethics, always of truth. How far an editor should go to protect the reader has been an ongoing in-house debate since the birth of the free press. I am not sure there is an answer, except to treat each incident separately.

The incident now at hand is a photo of the Pennsylvania state treasurer, R.

MEANWHILE

Budd Dwyer, who executed himself on camera during a press conference. The photo, taken at the split second of bullet impact, appeared in The Washington Post on Friday. The newsroom phones went off the hook. (A different picture, showing Mr. Dwyer with the tip of the barrel in his mouth before he pulled the trigger, appeared on Page 2 of Friday's International Herald Tribune.)

Meaning you, there was not one single protest against the use of a photo the

same day on the front page showing the tragic aftermath of the Philippine farmers' demonstration near the presidential palace in Manila, where they were fired on by troops. The New York Times, which elected not to publish the offending suicide picture, also used that photo of the Manila massacre on page one.

There is a long history of editorial decision, or indecision, on when to print details or photos of news events that might turn the stomach of readers. The two most often used arguments against publishing unpleasant details are that readers want to enjoy their breakfast and that children should not be exposed to sordid tragedy. The latter argument does have validity, but when you consider the violence tolerated every day on television you wonder about the agenda of those who present this argument.

Looking back over the years, I recall the photo that made Robert Capa famous: a loyalist rifleman in the Spanish civil war catching a fatal bullet in midair as he was leaping for cover. Editors said "Great picture" and printed it.

During the Budapest uprising there was a memorable picture of an imprisoned sidewalk execution of some demented secret policemen, their eyes in wide-open surprise and hair straight up as if they had just received a thousand-dollar charge. It was widely printed and hailed as great photo journalism.

It can be argued that those pictures were taken during war or revolution or uprising, which makes a difference. What appeared on page four of The Post was a suicide. That is true, and there most certainly is a difference. But I would suggest that the real reason why the other photos were viewed as great photo journalism, and not as horror pictures used for exploitive purposes, is that they came from distant places that, as everybody knows, are inhabited by foreigners. This was home, which calls for a different measuring rod for taste.

Maybe so, but there are other arguments to be made. For instance, was the picture essential to the story? There is a question of both ethics and taste involved in these decisions, and sometimes it is necessary for a conscientious editor to make a decision that forgoes taste.

This is a matter that has to be dealt with on a case-by-case basis, and I am not wise enough to offer any meaningful guidelines that would hold up over a period of time. In this instance it was a close call. But I can see how any two-fisted editor, facing a deadline and an agonizing decision, would have felt that if he felt any pang of conscience, And next time face the problem anew.

The writer is ombudsman of The Washington Post, from which this is adapted.

LETTERS TO THE EDITOR

The Vatican, Israel and a Hard-Hitting Columnist

Regarding "Cardinal's Pilgrimage Covers Something Sinister" (Jan. 16):

The opinion column by George F. Will concerning Cardinal John O'Connor's recent visit to the Holy Land is offensive. In addition to vilifying the cardinal, Mr. Will makes vituperative criticism of the Vatican, the present pope, the Catholic clergy and the political policy of the Catholic Church. He concludes with a thinly veiled comparison of the Vatican to Nazi Germany.

The tragic situation in the Middle East requires men of peace like Cardinal O'Connor. It is not helped by the opinions of angry and irresponsible men.

FAITH M. COSSA, Geneva.

George Will's splendid essay makes many excellent points against the Vatican's refusal to recognize the Jewish state. How refreshing it is to see these words in print from a Gentile pen. Many a Jew would cringe from confronting the Vatican on this point.

Meanwhile, as Mr. Will says, moving the U.S. Embassy to eastern Jerusalem would end the pretense that the unity of Israel is negotiable, and would show the world that the United States is ready to stop appeasing Arab opinion.

His argument is that American interest in peace in the Middle East can best be served by a clear demonstration that Israel's greatest ally and sponsor no longer implicitly condones Arab propaganda to the effect that Israel's sovereignty is open to question. Without a

cal, loyal debate — without which no disputed questions, international or otherwise, can ever be resolved.

PEGGY RIGAUD, Montpellier, France.

Three cheers for George Will! He has the guts to bring into the open the long history of the Vatican's malevolence toward the Jewish people.

Cardinal O'Connor's condescending tone and utterly incomprehensible remark that the Holocaust was a gift to the world reflect his church's politics.

There were Jews in Jerusalem 3,000 years before the first followers of Christ began calling themselves Christians.

EDWARD E. DORSON, Gillejele, Denmark.

Mr. Will concludes his criticism of Cardinal O'Connor and the "sinister" Vatican by saying: "Israelis have heard [the cardinal's] alibi before: He was only obeying orders." Apparently Mr. Will does not follow developments in Israeli politics closely. The head of the Israeli central command commented recently, about the shooting of a 14-year-old at a refugee camp, that "obeyed regulations with regard to opening fire."

Cardinal O'Connor's statement about the Holocaust being a gift of Judaism to the world is indeed absurd. However, to one familiar with the issues, it is clear that Mr. Will's object is not information.

His column is typical of pro-Israel rhetoric, in that its intent is clearly to arouse emotion with little reference to

fact. There is no acknowledgment, for instance, that the Vatican's refusal to accept Israel's occupation of Jerusalem is in accordance with international law, the Geneva conventions and the majority of international public opinion.

KRISTIN BROWN, Rome.

Lend the Food Mountain

In response to the report "Mounting Food Surpluses Threaten to Push EC Into Bankruptcy" (Dec. 30):

As Europe's food mountains get bigger, billions of dollars are consumed in waste and storage. Reforms centered around production cuts, quotas, lower guaranteed prices and funds to subsidize sales or free distribution offer solutions that are politically or economically unrealistic. What can be done?

Free distribution of food can be justified only during famines. Food-for-work projects, as practiced by the United Nations, are inefficient.

Why not offer the food surpluses as interest-free loans? A country in need borrows and removes the agreed amount and commits itself to deliver back like quantity and quality in five, seven or more years. Both lender and recipient are bound to secure significant benefits.

When accumulation of goods no longer contributes to economic growth, global solutions should be tried. Even countries close at hand — Poland, for one — might look at the idea with interest.

K.J. LOROCH, Hamburg.



1987 good reasons to see Thailand this year

Majestic temples and magnificent elephants, glittering roofs and garlands of orchids, enchanting people and exotic cuisine...one could write a long book about the land they call Thailand (and many seasoned travellers have). And never has there been a better year to see Thailand than 1987. For this is Visit Thailand Year in the Land of Smiles.

Among the kaleidoscope of festivities planned for 1987 you should try to catch some of these:

Feb. 13-15. Chiang Mai Flower Festival. A million blooms, a thousand smiles. One of the unforgettable moments of your life.

April 13. Songkran Festival. A nationwide water festival celebrating the Thai Lunar New Year.

May 9-10. Bun Bang Fai Festival. "Bang" indeed. Held in northeast Thailand, a fireworks show like no other you've ever seen.

Oct. 16. Royal Barge Procession. An armada of brilliant colours, pageantry and rare splendour not to be missed.

Nov. 5. Loy Krathong. Celebrated nationwide, this is Thailand's loveliest festival.

Nov. 14-15. The Elephant Round-Up. Ever seen 100 elephants enact a medieval War Parade? You will if you come to Surin in northeast Thailand for this extraordinary display.

Nov. 22. Bangkok Marathon. A major sporting event commemorating His Majesty the King's 60th Birthday Anniversary.

Dec. 15. Light and Sound Presentation. A glittering occasion to be held at the Royal Grand Palace and the Temple of the Emerald Buddha.

These are only a small selection of the truly stunning special events that mark 1987 as Visit Thailand Year — a year full of festivities, flowers and fireworks.

Make your holiday plans now. And make sure you fly on Thailand's own airline, Thai International.

Where the exotic sensations that are Thailand start from the moment you step on board.



Advertisement for Frankfurter Allgemeine Zeitung. The ad features a large, stylized image of the newspaper's masthead and a grid of text. The text includes: 'Frankfurter Allgemeine Zeitung ranks number 1 amongst senior businessmen* in the Federal Republic of Germany.', 'One million readers throughout West Germany and in 144 countries around the world - Frankfurter Allgemeine Zeitung has the highest overseas circulation of any German-language daily and business newspaper.', and 'Frankfurter Allgemeine Zeitung, 110 000 000 P.O. Box 10 00 08 D-6000 Frankfurt am Main 1'. There is also a small logo at the bottom right of the ad area.

SCIENCE

IN BRIEF

Drug Seen as Potential Contraceptive

BOSTON (UPI) — A drug shown to be effective as an abortion pill also has promise as an oral contraceptive that may be more convenient, effective and safe than existing forms of birth control, government researchers say.

A new study showed that the experimental drug RU-486 was highly effective at controlling menstrual cycles in women and preventing pregnancy in female monkeys. There were no apparent adverse side effects, although past trials showed some women experienced excess bleeding. "This is a preliminary study, but it suggests that there's a big potential for this drug as a contraceptive agent," said Dr. Lynnette K. Nieman, who led the study at the National Institute of Child Health and Human Development. RU-486 is a synthetic steroid that blocks production of the hormone progesterone, needed to maintain a fertilized egg in the womb.

Fatty Acids Linked to Heart Disease

LONDON (Reuters) — Heart disease may stem from a deficiency of essential fatty acids in the diet and not excess consumption of saturated fats, a new study by scientists in Scotland suggests. A report on a study involving more than 6,000 people, published in the British medical journal *The Lancet*, said that people who had suffered from heart attacks or pains had less essential fatty acids in their body fats than other people. Essential fatty acids are contained in fish and vegetable oil, while saturated fats in the diet come mainly from animal food.

"Until now the evidence has appeared to suggest that heart disease is caused by eating too much saturated fat," said Michael Oliver, professor of cardiology at Edinburgh University. "Our research suggests it is the deficiency of polyunsaturated fat which is important."

Rare Animal Rediscovered in Brazil

NEW YORK (AP) — The thin-spined porcupine, feared extinct, has been rediscovered in Brazil's rapidly disappearing Atlantic coastal forest. The animal, *Chaetomys subspinosus*, is about the size of a small cat and is covered with soft, brown spines that resemble the bristles of a broom but are more flexible, according to Russell Mittermeier, vice president of the World Wildlife Fund-U.S.

The animal, was first described in 1818 and last seen in 1952. Researchers know so little about it they cannot even be sure that it is a true porcupine, Mittermeier said. "The scientific interest of the beast is that no one is sure what it really is," he said.

U.S. Drinking Habits Show Shifts

NEW YORK (NYT) — About two-thirds of adult Americans drink alcoholic beverages regularly, but 10 percent of the drinkers down half the total alcohol, according to a new study. In addition, the age at which people begin to drink is falling. "In 1984 more than 30 percent of high school seniors reported having tried alcohol by age 13," according to the Statistical Bulletin of the Metropolitan Life Insurance Co.

Nationwide, Americans over 13 drank beverages containing an average of 2.65 gallons of alcohol in 1984. Consumption was highest, 5.34 gallons a person, in Washington, D.C., although purchases of low-priced liquor by non-residents accounts for part of that. Consumption was lowest in Utah, at 1.53 gallons a person.

Since 1968, beer has been the main form of alcohol consumed in the country, and 51 percent of alcohol consumed in 1984 was in beer.

Antibodies Redesigned

By Harold M. Schmeck Jr.
New York Times Service

ANTIBODIES, the most familiar of the body's defenders against infectious disease, are being drafted into new roles.

Antibodies are being rebuilt by scientists who hope to use them for slicing and redesigning proteins, the body's most varied and important substances, for poisoning cancer cells and for performing other roles that nature never contrived.

"If we can harness this vast array in do chemical work," said Dr. Richard A. Lerner, director of the Research Institute of Scripps Clinic, La Jolla, California, "antibodies will take on an important new dimension in biology and chemistry."

An antibody capable of cutting a protein, for example, might be aimed at the protein coat of a virus. Such antibodies might be injected in a virus-infected patient to chew up the viruses and halt the infection.

Emerging strategies in the exploration now under way include: the production of antibodies that are hybrids between mouse and human, of antibodies armed with potent cell poisons to send as guided missiles against cancer cells, and of antibodies of radically new design that may prove more efficient or easier to produce.

Antibodies, Y-shaped proteins less than a millionth of an inch long, are the body's defensive guided missiles. They seek out targets with incredible precision among the myriad substances in the body. A single antibody-producing cell can make 2,000 a second to alert the defense system and help destroy an invader.

Enzymes, the chemical workhorses of the body, have innumerable functions, including cutting things apart, pasting them together or changing them in various other ways. Putting their functions into antibodies, researchers say, could create a new scientific tool of great potential power.

Two scientific teams, those of Dr. Lerner and of Dr. Peter G. Schultz of the University of California, Berkeley, have demonstrated, in different ways, that an antibody can function as an enzyme.

The development of enzymatic antibodies could have even broader potential, both as a scientific tool and as a way of making proteins that have never existed before.

"Being able to modify proteins in a non-natural way is a very important goal for both chemists and biologists and antibodies might let us do that," said Dr. Schultz.

Proteins are among the main structural and functional substances of the body; they are major ingredients in all living tissues and indispensable factors in the body's countless chemical reactions that go on continuously from conception to the dissolution that follows death. Antibodies and enzymes are themselves specialized proteins.

Most of the work involves monoclonal antibodies. These are antibodies grown from specifically chosen clones of cells. All the antibodies produced from any single such clone are identical. Ordinary antibodies are much less uniform.

An antibody can distinguish easily between two different viruses or two different structural features on the same virus, different human blood types, different proteins and many other even more subtle differences. By coupling with its target, the antibody does not ordinarily kill it, but rather activates a barrage of defensive actions by other elements of the immune system.

While enzymes often serve the body by cutting things apart, they are actually biological catalysts that speed the pace of chemical reactions. Something that might not happen in 100 years without an enzyme can be done in less than a second with one.

A natural, uncatalyzed, chemical reaction goes in two directions, one of which is toward a more stable product than the other. In time the stable product wins out. A catalyst does not change the chemical reaction but permits it to go rapidly to the stable form.

Between the two states is an unstable form of the substance involved in the reaction. Enzyme-like antibodies would home in on this transition state and couple with it, permitting the reaction to go toward the stable side rapidly.

But the transition state is elusive. Therefore the research strategy at Scripps has been to determine its chemistry, make a stable counterpart in the laboratory and inject this into laboratory animals so that they produce antibodies to it.

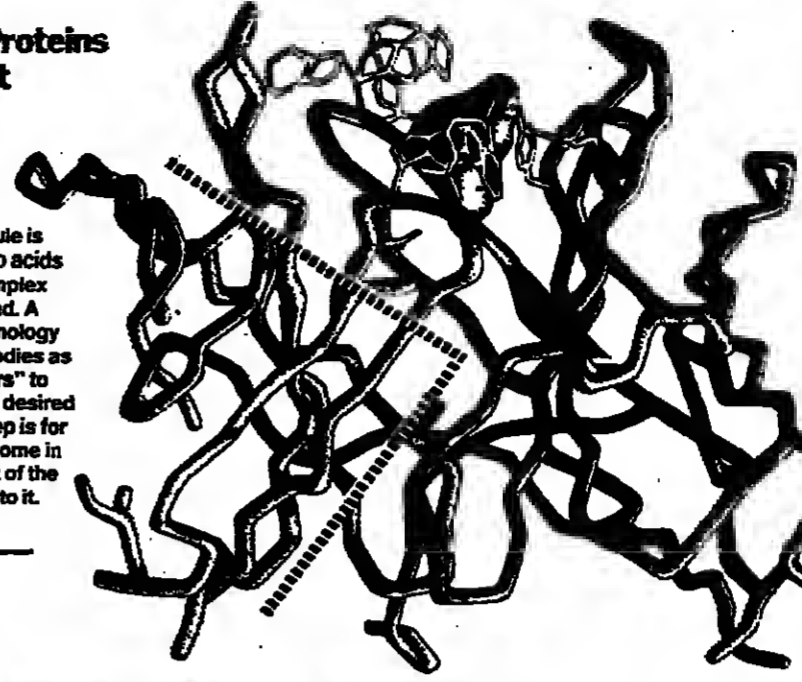
Independently, the scientists at Berkeley discovered that one particular antibody can act as an enzyme in cutting a common organic chemical called a carbonate.

Some natural enzymes that also cut the simpler substances used in the experiments will cut proteins, suggesting that protein-cutting antibodies can be developed.

Dr. Alfonso Tramontano, Dr. Kim D. Janda and Dr. Lerner, all of the Scripps Clinic and Research Foundation, reported experiments

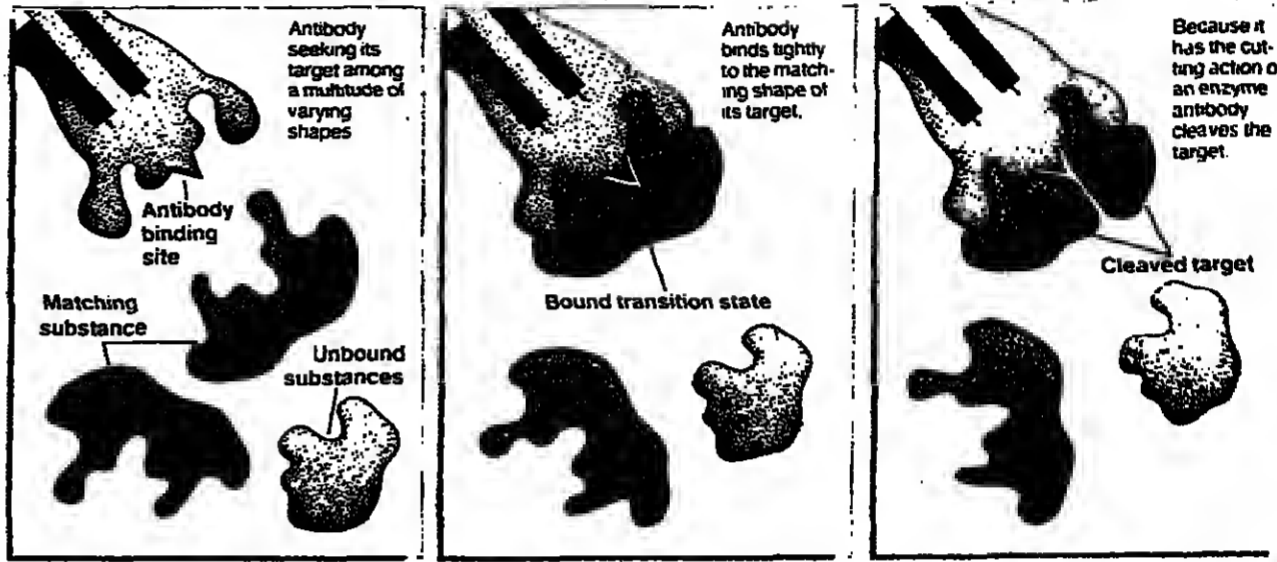
Attacking Proteins With Rebuilt Antibodies

A protein molecule is a tangle of amino acids folded into a complex continuous strand. A developing technology would use antibodies as enzyme "scissors" to cut a protein in a desired way. The first step is for the antibody to home in on a precise part of the protein and bind to it.



If the antibody is designed to act like an enzyme it will complete its action by changing the protein in a preordained way. For example, such an antibody could cut the surface protein of a virus, rendering it harmless.

How Antibodies Might Bind to a Target and Cut It



DF Koch

just fall in the Proceedings of the National Academy of Sciences indicating that enzymatic action by antibodies was possible. They reported success in actually doing it in Science in December. Dr. Schultz, Dr. Scott J. Pollack and Dr. Jeffrey W. Jacobs reported their research in the same issue and, more recently, have designed another antibody that has enzymatic action. They are also trying to attach synthetic catalysts to natural antibodies.

The two groups have not yet cut proteins, but expect to be able to do so in the future. "We started with a simpler, easier reaction to see if we could do it," Dr. Schultz explained.

An enzymatic antibody designed to attack a particular kind of blood clot might be used to cut up such a clot. Such an enzyme might be able to relieve the arterial blockages that sometimes cause heart attacks.

Used as research tools, such antibodies might allow scientists to snip out several particular subunits of a protein and replace them with something that does not occur in nature at all, just to see what this change would make in the protein's function in the body.

The development of hybrid monoclonal antibodies, constructed from parts taken from different sources, is different in technique and strategy. But this, too, creates antibodies unlike any in nature and capitalizes on the antibody's incredible ability to limit its attack to one very specific target.

"Antibodies are such appealing molecules because of their tremendous specificity," said Dr. Sherie L. Morrison of Columbia University's College of Physicians and Surgeons, one of the pioneers in making mouse-human hybrids. It has been relatively easy to pro-

duce mouse monoclonal antibodies against a great many substances, but much more difficult to do this with human monoclonals. But using antibodies from mice in treating humans often leads to a dramatic immune reaction because the antibody is foreign.

By combining the target-seeking part of the mouse antibody with the other antibody part from a human, the risk of immune reaction may be much reduced.

There is another important advantage. The V-shaped top portion of the antibody molecule, called the variable region, is the target-seeking part. The stem, the portion that gives it the Y-shape, is called the constant region. This determines what kind of antibody it is and what its biological effects will be. The ability to combine the parts of antibodies, whether mouse-human

hybrids or not, may allow scientists to design antibodies virtually to order.

The first report of producing mouse-human hybrids was from a team of collaborating scientists at three institutions, Dr. Morrison from Columbia, Dr. M. Jacqueline Johnson and Dr. Leon Herzenberg of Stanford University School of Medicine and Dr. Vernon T. Oi of the Becton Dickinson Co.

Plans are in progress to test such hybrid antibodies in treating cases of multiple sclerosis, colon cancer and perhaps other diseases.

For several years, scientists have experimented with use of antibodies directed as precisely as possible against a patient's cancer tissues. Some of these have killed cancer cells in the laboratory but have usually been much less effective in patients.

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Paris Fashion

Saint Laurent, the Giant

By Hebe Dorsey
International Herald Tribune

PARIS — Nothing like a nice surprise! The fashion press expected to all but bury Yves Saint Laurent, whose talent lately had seemed distinctly on the wane. Instead, the designer demonstrated Wednesday that when he wants, nobody can touch him.

In a beautifully edited and restrained collection, Saint Laurent proved once again to be the giant in his field. His fans, including Catherine Deneuve, Paloma Picasso and — in a rare fashion appearance — Danielle Mitterrand, heaved a big sigh of relief and applauded gratefully. Also there was the designer Claude Montana, acknowledged leader of French ready-to-wear, who was moved to tears.

This takes nothing away from the new name in Paris, Patou's Christian Lacroix, but it is as if the two designers were standing at either end of the fashion spectrum. Lacroix has the youth, the enthusiasm and all kinds of unexplored avenues before him. Saint Laurent has said and done practically everything and all he has to do now is say it again, in his own pure, perfected hand. But Lacroix is the future.

After the show, the designer said that he had had fun with this collection, which was also very young — an element that had been missing from recent collections. This was achieved by revamping the proportions, strengthening shoulders and considerably shortening skirts until they became minier than mini.

Saint Laurent stayed away from the excessiveness of Paris trends with clothes that were perfectly flat and wearable, especially the strong-shouldered suits. These had a long, new jacket with two big pocket flaps sewn sideways. They turned up in every possible fabric, from tiny checks in crisp linens and in every color, from gray to a bright purple.

But beautiful as they were, they were not the most exciting part of this show. As for pantsuits, they were frankly boring. In short, the daytime clothes at Saint Laurent's, including the chemises and tunics, belonged to the new, upgraded Saint Laurent Rive-Gauche, which Pierre Bergé, Saint Laurent's partner and business manager, said was definitely going to happen. This was confirmed by Leon Cligman, the French industrialist who is the largest stockholder of Saint Laurent Rive-Gauche. Bergé denied that the house was about to abandon couture, to which, he said,



Saint Laurent: Short skirts, irresistible eveningwear.

Saint Laurent is "viscerally attached."

The story was in the irresistible evening wear, which achieved a lot of volume without resorting to ruffles or petticoats. The secret was in the cut, and even chignon, usually limp and lifeless, was shaped and controlled with great expertise.

It was a flat-chested look, with long-waisted dresses spreading out into a deep flounce, often dipping in the back. The front was quite naughty, cut all the way to the crotch. Some minis had hems circled with stiff black bows. The prettiest were made of body-conscious, wadded chiffon, decorated with tiny wavy ruffles. The feeling was very little-girl-out-to-a-party, especially when Saint Laurent circled the hips of a printed chiffon mini with wide satin ribbon and a big side bow. The shorter dresses were newer and more fun than the long ones.

Saint Laurent, who did the bustle well before anybody else, did not bother with elaborate constructions, but just hinted by putting big bows at the bottom of some dresses. The flowered taffeta gown with big side pouf was his only concession to current Paris trends.

Fabrics included soft chiffons often mixed with stiff lace. Crepe was used for long, draped gowns that looked very familiar, even if Saint Laurent sometimes mixed two colors in the same dress. Colors were refined with all kinds of subtle mélanges — such as purple and salmon or red, pink and shrimp. Khaki, used for a chiffon evening dress, was new and sophisticated.

At Lanvin's, Maryll Lanvin, the wife of the family's son and heir, Bernard, has taken over with honest results. Although largely influenced by Lacroix's poise, she is moving toward her own pretty and feminine signature. A beautiful woman who travels in high society, Lanvin knows that women dress or should dress — for men. Hence the soft piqué bolero, topped by a delicate pearly bolero and short and sexy strapless dress, exposing a lot of bosom.

Lanvin also displayed an unexpected sense of humor in a dress of red and green satin, its bodice overflowing with a huge bouquet of anemones. Hats were mad concoctions, with some Edwardian-looking layers of black tulle.

Guy Laroche, who counts Bernadette Chirac and Claude Pompidou among his fans, is a nice man who makes nice, uncomplicated and often quite pretty clothes. There is nothing in this collection that could not go on a state visit, from the trumpet-shaped, long-jacketed suits to the gently pleated ones. Evening gowns were quite graceful, especially the gently pleated ones. Occasionally, Laroche threw in some mad, red-and-black cancan ruffles.



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Printemps-Été 1987

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he Giant

NYSE Most Actives table with columns for Vol, High, Low, Last, Chg. Lists top trading stocks like Borden, AT&T, IBM, etc.

Market Sales table showing NYSE 3 a.m. volume, NYSE prev. close, Amex 3 a.m. volume, Amex prev. close, Prev. OTC a.m. volume.

NYSE Index table with columns for High, Previous Close, Today's P.A., Low, Close, P.A. Lists Composite, Industrials, Unimproved, Utilities, Finance.

Wednesday's NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table with columns for Adv. Declined, Total, Unimproved, New Issues, Class, Prev.

NASDAQ Index table with columns for Prev. Year, Week, Year, Class, Prev.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg. Lists traded volume for various stocks.

Dow Jones Bond Averages table with columns for Bond, Utilities, Industrials, Prev. Close, Today's High, Today's Low.

NYSE Diary table with columns for Adv. Declined, Total, Unimproved, New Issues, Class, Prev.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell, Chg. Lists trading activity for Jan. 27, 28, 29.

Dow Jones Averages table with columns for Open, High, Low, Last, Chg. Lists Industrial, Transport, Utilities, S&P 100.

Standard & Poor's Index table with columns for High, Previous Close, Today's P.A., Low, Close, P.A.

Previous NASDAQ Diary table with columns for Adv. Declined, Total, Unimproved, New Issues, Class, Prev.

AMEX Stock Index table with columns for High, Previous Close, Today's P.A., Low, Close, P.A.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Firm Bond Market Buys NYSE

United Press International. NEW YORK — Prices on the New York Stock Exchange were higher late Wednesday in very heavy trading. The market was buoyed by a firm bond market and investors' willingness to buy whenever sellers made small price concessions, traders said.

The Dow Jones industrial average, which jumped 43.17 points Tuesday to a new high, was up another 4.78 points to 2,155.23 at 3 P.M. Gainers were leading losers by an 8-7 ratio.

Volume at 3 P.M. was about 168.99 million shares, up from 165.51 million in the same period Tuesday.

Prices were higher in active trading of American Stock Exchange issues. The market right after the opening bell but gradually lost its gains and turned lower. Promptly recovering, it moved into plus territory and stayed there through midday before edging lower again in the early afternoon. Prices began climbing again in mid-afternoon.

Traders attributed the early surge to futures-related buying, prompted by premiums on stock-index futures contracts that encouraged arbitrageurs to sell the futures and buy stocks. When the futures began trading at a discount to the underlying cash indexes, sell programs knocked stock prices lower. When the futures began trading at a premium again, the programs tapered off.

Analysts said the market's record levels, the sliding U.S. dollar and concern about upward pressure on interest rates were making some investors nervous.

"There was more nervousness today than has been apparent for some time," said Trade Lattimer, market analyst at Josephthal & Co. "The market is soggy; trading is very choppy, and nothing much is moving it."

Friday's volatility, in which the Dow climbed 64 points before ending the day with a 44-point loss, had an effect on traders, she said.

"Traders saw that the market can come down as quickly as it can go up," Ms. Lattimer said. She said the dollar slide was worrying some investors, but she said concern "has not yet reached the point where it is affecting the market all that much."

The market is "ripe" for a modest pullback, she said. But she said the influx of funds from Japanese investors and from investors shunning bonds in favor of stocks ensures a "fairly steady stream" of buying interest, as long as interest rates remain low.

Dennis Jarrett, technical analyst at Kidder Peabody & Co., said program trading was not a dominant force on Wednesday. He said the market was "digesting" recent gains, regrouping before it headed higher again.

With a bear left to trade, Bethlehem Steel was the most active NYSE-listed issue, heading higher.

Southern Company and Middle South Utilities were up in active trading.

Among blue chips, IBM, General Electric, USX, Ford Motor and Exxon showed small losses.

Table A: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like AAR, ADT, AIG, etc.

Table B: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABB, ABC, ACD, etc.

Table C: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table D: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table E: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table F: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table G: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table H: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table I: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table J: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table K: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

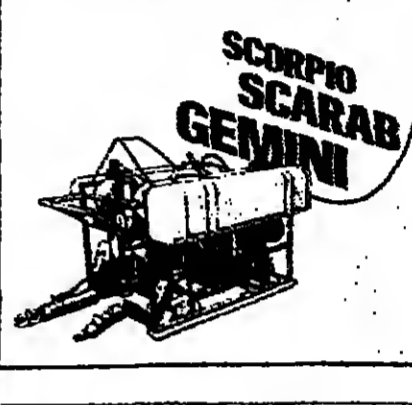
Table L: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table M: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table N: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table O: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

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Table P: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Table Q: 12 Month High Low Stock, Div. Yld. PE, 52 Wk High Low, Open, Close, Chg. Lists various stocks like ABE, ABF, ABG, etc.

Large vertical advertisement on the right edge of the page, partially cut off, mentioning 'WALL ST' and 'Individual Inv'.

Wednesdays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere.

Table with 5 columns: 12 Month High/Low, Div. Yld, P/E, 52 Week High/Low, Close. Lists various stocks like NY, NYA, NYB, etc.

(Continued)

Continuation of the NYSE Closing table with more stock symbols and their corresponding prices.

Table titled 'NYSE High-Lows' listing various stock symbols and their high/low values.

Table titled 'U.S. Futures' listing various futures contracts like Wheat, Corn, Soybeans, etc., with their prices and changes.

Table titled 'Grains' listing specific grain futures contracts and their market data.

Table titled 'Livestock' listing futures contracts for various types of livestock and their prices.

U.S. Futures

Via The Associated Press

Table with 5 columns: Symbol, Open, High, Low, Close, Chg. Lists futures contracts.

Grains

Table listing grain futures contracts such as Wheat, Corn, and Soybeans.

Livestock

Table listing livestock futures contracts including Cattle and Hogs.

Currency Options

Table listing currency options for various international currencies.

Paris Commodities

Table listing commodity prices in Paris, including various types of sugar.

London Commodities

Table listing commodity prices in London, including cocoa and coffee.

Dividends

Table listing dividend payments for various companies.

Spot Commodities

Table listing spot prices for various commodities.

U.S. Treasuries

Table listing U.S. Treasury securities and their yields.

S&P 100 Index Options

Table listing S&P 100 index options contracts.

London Metals

Table listing London metal prices for various commodities.

Advertising Gains Seen For U.S. Newspapers

Miami Beach - Daily newspapers in the United States can expect advertising gains in 1987...

Table titled 'U.S. Treasury Bonds' listing various bond issues.

Table titled 'Municipal Bonds' listing municipal bond issues.

Table titled 'European Currency' listing European currency exchange rates.

Table titled 'Currencies' listing various international currencies.

Table titled 'Metals' listing prices for various metals.

Table titled 'Stock Indexes' listing major stock market indices.

Table titled 'Commodity Indexes' listing commodity price indices.

Table titled 'U.S. Treasuries' listing U.S. Treasury securities.

Table titled 'S&P 100 Index Options' listing S&P 100 index options.

Table titled 'London Metals' listing London metal prices.

Table titled 'Dividends' listing dividend payments.

Table titled 'Spot Commodities' listing spot commodity prices.

Table titled 'U.S. Treasuries' listing U.S. Treasury securities.

Table titled 'S&P 100 Index Options' listing S&P 100 index options.

Table titled 'London Metals' listing London metal prices.

Table titled 'Dividends' listing dividend payments.

Table titled 'Spot Commodities' listing spot commodity prices.

Table titled 'U.S. Treasuries' listing U.S. Treasury securities.

Table titled 'S&P 100 Index Options' listing S&P 100 index options.

Table titled 'London Metals' listing London metal prices.

Table titled 'Dividends' listing dividend payments.

Table titled 'Spot Commodities' listing spot commodity prices.

Table titled 'U.S. Treasuries' listing U.S. Treasury securities.

Table titled 'S&P 100 Index Options' listing S&P 100 index options.

Table titled 'London Metals' listing London metal prices.

Table titled 'Dividends' listing dividend payments.

Table titled 'Spot Commodities' listing spot commodity prices.

Table titled 'U.S. Treasuries' listing U.S. Treasury securities.

Table titled 'S&P 100 Index Options' listing S&P 100 index options.

Table titled 'London Metals' listing London metal prices.

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COMPANY NOTE...

STOCKS: Sma...

Republic...

Consolidated Stat...

BUSINESS ROUNDUP

Vienna Bank Got Guinness Payment

VIENNA — An Austrian bank, Zentralparkasse und Kommerzbank, Wien, said Wednesday that it had received £254,000 (about \$390,000 at current rates) as compensation for losses from an investment in Guinness PLC shares and that it was investigating the circumstances of the payment.

Merc to Increase Futures Margins

CHICAGO — The Chicago Mercantile Exchange said Tuesday that it would increase margin requirements for futures contracts based on Standard & Poor's 500-stock index.

COMPANY NOTES

Chemical Waste Management, an Illinois company that is mainly owned by Waste Management Inc., has signed an agreement to acquire Waste Technologies Industries, an Ohio partnership, for undisclosed terms.

made the offer of cash and shares to Distillers more attractive. Under British corporate law, it is illegal to offer financial inducements, such as indemnities against loss, as a means of manipulating a company's stock prices.

Thompson Ad Agency Fires New Chairman

NEW YORK — Less than a month after becoming chairman of J. Walter Thompson Co., the advertising agency, Joseph W. O'Donnell has been discharged, apparently because he was involved in outside discussions that could have resulted in the agency's parent company going private.

Kodak to Take Higher Charge

ROCHESTER, New York — Eastman Kodak Co. said Wednesday that it would take a higher-than-expected charge of about \$1 a share on 1986 earnings for its program to reduce the work force by 10 percent.

Toshiba's High-Tech Plans Get Mixed Analysts' Reviews

TOKYO — Toshiba Corp., buoyed by its recent successes in the semiconductor field, plans to move further from its traditional reliance on heavy electrical equipment and into information processing and telecommunications. But analysts are divided over whether the strategy will work.

WORLDINVEST INCOME FUND DIVIDEND ANNOUNCEMENT

The Trustees of the Worldinvest Income Fund are pleased to announce a U.S. \$0.50 per share distribution to shareholders in respect of the half-year period from June 26, 1986 to December 31, 1986.

WORLDINVEST INCOME FUND DIVIDEND ANNOUNCEMENT

The Trustees of the Worldinvest Income Fund are pleased to announce a U.S. \$0.50 per share distribution to shareholders in respect of the half-year period from June 26, 1986 to December 31, 1986.

Company Results

Table with columns for Company Name, Year, Revenue, Net Income, and Per Share. Rows include Consolidated, Bethlehem Steel, Chevron, American Can, and others.

WORLDINVEST INCOME FUND

To all holders of share certificates in Worldinvest Income Fund ("the Trust"): BankAmerica Trust Company (Jersey) Limited, the new manager of the Trust, announces that certain changes have been made to the management structure of the Trust.

STOCKS: Small Investors Join In

"A lot of my clients have participated in this rally," said Alan K. Jusko, a broker for Prudential-Bache Securities in New York. "The bulk of this increased activity has come from new accounts but from accounts that already had been invested in the market."

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Republic National Bank of New York

Consolidated Statements of Condition (In Thousands) for December 31, 1986 and 1985. Assets include Cash and demand accounts, interest-bearing deposits, etc. Liabilities include deposits, borrowings, etc.

Summary of Results (In Thousands Except Per Share Data) for Twelve Months Ended December 31, 1986 and 1985. Includes Income before extraordinary item, Net income, and Cash dividends declared.

INTERNATIONAL POSITIONS

UNITED NATIONS DEVELOPMENT PROGRAMME THE UNITED NATIONS DEVELOPMENT PROGRAMME seeks candidates for the position of DEPUTY DIRECTOR, DIVISION OF PERSONNEL at its Headquarters in New York.

MANAGEMENT CENTRE EUROPE

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Wednesdays AMEX Closing

Tables include the following prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

O Month High Low Stock Div. Yld. PE 25 High Low Close Quot. Chrg.

Table with multiple columns listing various stocks and their prices, organized into sections A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

Table with multiple columns listing various stocks and their prices, continuing from section A to Z.

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Table with multiple columns listing various stocks and their prices, continuing from section A to Z.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 28 Jan. 1987

The marginal symbols indicate frequency of quotations: (d) - daily; (w) - weekly; (bi) - bi-monthly; (q) - quarterly; (i) - irregularly.

Large table listing various international funds and their performance metrics, organized into sections like ALM Management, AMERMAN, AMERMAN, etc.

U.S. Considers a Delay In Reporting Some Data

WASHINGTON — The U.S. government said Wednesday that it was considering changing the reporting schedule for key trade and economic data.

Floating-Rate Notes

Table listing floating-rate notes with columns for Issuer/Mat., Coupon, and Bid Ask.

AMEX High-Lows

Table listing AMEX high and low prices for various stocks.

Pounds Sterling

Table listing Pounds Sterling exchange rates for various issuers.

Deutsche Marks

Table listing Deutsche Marks exchange rates for various issuers.

DM - Deutsche Mark; SF - Swiss Franc; C\$ - Canadian Dollar; FF - French Franc; Lf - Dutch Guilder; L\$ - Luxembourg Franc; ECU - European Currency Unit; Sfr - Swiss Franc; Yen - Japanese Yen; A\$ - Australian Dollar; NZ\$ - New Zealand Dollar; £ - Pound Sterling; D - Deutsch Mark; S - Swedish Krona; Nkr - Norwegian Krone; Dkr - Danish Krona; Fmk - Hungarian Forint; R - Rumanian Leu; Esc - Spanish Peseta; Lit - Lithuanian Litas; Z\$ - Zimbabwe Dollar; Bot\$ - Botswana Pula; Bwp - Brunei Dollar; Ks - Thai Baht; Mv\$ - Maldivian Rufiyaa; Nu\$ - Niue Dollar; Pk\$ - Pakistani Rupee; Rp - Indonesian Rupiah; S\$ - Singapore Dollar; T\$ - New Taiwan Dollar; U\$ - US Dollar; V\$ - Vietnamese Dong; W\$ - West German Mark; Y\$ - Yugoslav Dinar; Z\$ - Zimbabwe Dollar.

CURRENCY MARKETS

DOLLAR: Plunge Continues as G-5 Rumors Swirl

(Continued from first finance page) ward meeting shortly on stabilizing exchange markets.

He also indicated that Japan would cut its discount rate soon — something he has said would not happen until after a G-5 meeting.

Mr. Sumita's statements seemed to buttress remarks by Finance Minister Kiichi Miyazawa last week that he and his U.S. counterpart, James A. Baker 3d, had agreed to work for an early G-5 meeting.

Japan and West Germany are the strongest critics of the U.S. policy of letting the dollar drift, because their goods have become more expensive and their export industries have suffered.

But in West Germany, the Bundesbank said it was not aware of any planned G-5 meeting, while in New York, a U.S. Treasury official also denied the rumors.

Dealers attributed the dollar's weakness largely to expectations that U.S. economic data scheduled for release this week would be mediocre or negative.

London Dollar Rates

Table with columns: Closing, Week, Year, Dollar rate, Yen rate, Swiss franc rate, French franc rate, Source: Reuters

The dollar's recent downturn began last month, with the announcement that the U.S. trade deficit for November was a record \$19.2 billion, much more than had been expected.

In Tokyo, where trading ends before the European day begins, the dollar fell to 150.90 yen from 152.65 on Tuesday.

In New York, the rumors of central-bank intervention helped the dollar to recover slightly from a plunge in early trading.

It also got a boost from rumors that the Fed had asked banks to quote dollar/mark rates.

"When the Fed does that, the market immediately takes it as a sign that the Fed is processing the dollar's current value against a particular currency," one dealer explained.

BIS: New Tactics

(Continued from Page 1) an exaggeration," a BIS official said.

The BIS also reported Wednesday that the external assets of banks in North America, Japan, Western Europe and certain offshore financial centers soared \$228 billion in the third quarter, to \$3 trillion.

Discounting the distortions resulting from the dollar's depreciation in raising the value of non-dollar holdings, the increase was estimated at \$167 billion, still the largest recorded in any three-month period.

In percentage terms, the real increase was equal to a compound annual rate of 26 percent, the highest rate of growth recorded since 1981.

The report also said that Japanese banks have surpassed U.S. banks as the world's largest, accounting for 31.6 percent of total assets.

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Horn Leaving Federal Reserve Bank

By Arthur Higbee International Herald Tribune

Karen N. Horn, president of the Federal Reserve Bank of Cleveland since 1982, will resign in April to become chairman and chief executive of Bank One of Cleveland.

Mrs. Horn was the first woman to be named president of a federal reserve bank. In her new job she will be one of the two or three leading women banking executives in the United States.

Mrs. Horn grew up in California and graduated from Pomona College in Claremont, California. She received a doctorate in economics from Johns Hopkins University in Baltimore.

At Bank One, Mrs. Horn, 43, will succeed Ralph W. Abelt, 57, who is retiring. She will not become a director of Bank One Corp., which has assets of \$17.4 billion and runs 34 banks in four states.

She said her short tenure at the Federal Reserve was part of a new trend among its presidents to enter

Chief Executive Of Weirton Steel Plans to Retire

United Press International

WEIRTON, West Virginia — Robert Loughhead, who led Weirton Steel Corp.'s transition to employee ownership in 1984 after it was cast off by National Intergroup as unprofitable, has said he will retire.

Mr. Loughhead, 57, has been the company's chairman, president and chief executive officer since mid-1983. He will remain with Weirton until its directors select his successor.

In January 1984, Weirton became the largest U.S. company owned entirely by its workers.

It has turned a profit in each quarter since, but profits have steadily slipped. In December, Mr. Loughhead announced a reorganization that would cut at least 160 management employees from the 8,000-employee work force.

mental in building its financial services businesses, which now account for 70 percent of profits.

BEER: Australian Breweries Tap the Expanding Export Market to the U.S.

(Continued from first finance page) less romantic reason, one tied to the great physical distance separating the two countries.

Just when Australians head into winter and beer consumption tails

off, he noted, the reverse is true in North America.

"We push for the export market at a time when our breweries which wine consumption has almost doubled per capita.

Yet another major player in the

Prices Mixed as Dollar Continues to Slide

By Norma Cohen Reuters

LONDON — Eurobond prices ended mixed Wednesday, with investors sidelined by the dollar's continued steep fall to the lowest levels in more than six years.

"The main thing today was the collapse of the dollar," said a trader at a Japanese bank. The U.S. currency fell to about 1,760 Deutsche marks by midday, and only late rumors that a meeting of the Group of Five industrial nations is imminent nudged it from that level, traders said.

Eurodollar bonds ended little changed, while yen bonds closed a touch firmer, traders said.

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THE EUROMARKETS

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ginning Wednesday, expectations were that interest rates might have to rise to keep foreign investors interested.

The dollar's weakness weighed on the new issues market, although not enough to prevent a Eurodollar bond from Mitsui Trust & Banking Co. The issue, a \$200 million offering of seven-year debt, carries a coupon of 7 1/2 percent, a spread of 81 basis points over comparable maturity Treasuries.

The issue is priced at 101 1/4 and was quoted late Wednesday within its fees at a discount of 1 1/16.

Traders speculated that the Mitsui offering may have been part of an interest-rate-swap arrangement that, from the borrower's point of view, makes sense, even with a falling dollar.

Meanwhile, the strength of the yen sparked two new issues. The first, a 15 billion yen offering of seven-year, 5.5 percent bonds from Portugal, was priced at 101 1/4. Late in the day it was trading within its fees at a discount of 1/4, traders said.

However, the other yen offering, a 20 billion yen bond from Christiana Bank, did not fare as well, traders said. The issue carries a coupon of 5 percent and was priced at 101 1/4.

"Christiana Bank has been too frequent a borrower in the last three months," a yen bond trader said.

Australian dollar issues also fared slightly, despite the recent glut of new offerings.

French Inflation 2.1% in '86

PARIS — French consumer prices rose 0.1 percent during December, bringing the inflation rate for 1986 to 2.1 percent, the official statistics office announced Wednesday.

Wednesday's OTC Prices NASDAQ prices as of 3 p.m., New York time. Via The Associated Press

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in Mil., High, Low, 3 P.M. Close, Net Chg.

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SPORTS

Pro Football Names 7 to Hall of Fame

By Our Staff From Dispatches CANTON, Ohio — Running backs Larry Csonka and John Henry Johnson, quarterback Len Dawson, defensive tackle Joe Greene, center Jim Langer, offensive guard Gene Upshaw and receiver Don Maynard were voted into the Pro Football Hall of Fame on Tuesday.



Larry Csonka, Miami's standout running back, in action in 1975.

Weather Disrupts Ski Meet

United Press International CRANS-MONTANA, Switzerland — Snow, fog and wind combined Wednesday to halt the world Alpine ski championships and force the postponement of the women's combined downhill.

The Handicapped Find Fresh Hope on the Slopes

By Peter Conrad ENGLERBERG, Switzerland — Briton David Clarke, 26, was paralyzed from the chest down when he was hit by an urban guerrilla's bullet in Northern Ireland.

He is absolutely critical to my success. This means a lot more to me than any of my guys — Langer, Bob Kuechenberg, Larry Little or Joe Greene — got in the same year I did.

really do," Greene said Tuesday. "I thought I had a pretty good career. A few years ago, I would have had a hard time saying that, but I can say it comfortably now. I'm just thankful that other people saw it and that I was considered. I appreciate it."

SCOREBOARD

Table with columns for Basketball, Golf, and Hockey, including NBA Standings, PGA Leaders, and National Hockey League Leaders.

Transition

BASEBALL CLEVELAND—Signed Ed Wade, a nine-year contract extension through the 1995 season.

NBA Leaders

Table showing NBA Leaders with columns for Team, Pts, Reb, Ast, Stl, Blk, and FG.

U.S. College Results

Table showing U.S. College Results with columns for School, Conf, and Score.

Cup Finalists: Splendid Isolation

By Barbara Lloyd Fremantle, Australia — The two boats that will sail against each other for the America's Cup have something crucial in common.



John Marshall, the design coordinator for Stars & Stripes, said that winning the world title with Australia III may have been the team's Waterloo. "We thought then that we were O.K.," said Loxton, "that we

EC Seeks Freer Flow of Soccer Pros

BRUSSELS — The European Community Commission said Wednesday it will press soccer federations in the 12-EC nations to guarantee the free circulation of foreign players in their leagues.

But he indicated it had not yet taken legal action based on the 1976 ruling because of "economic and social aspects specific to professional sports."

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